

Simplifying Business

Commissioner of the Revenue
City of Norfolk





OPPORTUNITY FOR SMALL BUSINESSES

Norfolk City Council has created a new exemption for new businesses that have gross receipts of \$1,000,000.00 or less during the first two years of business.

The exemption is available for businesses that locate in Norfolk after January 1, 2016.

A business must qualify for the exemption and must complete an application and provide requested documentation to the Commissioner of the Revenue to become a “qualifying business.”

The application will be available on or before September 30, 2015.

In order to qualify a business must:

- Be locating in the city of Norfolk for the first time
 - Establish a definite place of business
- Engage in a continuous and regular course of trade

OPPORTUNITY FOR SMALL BUSINESSES

The exemption is for **NEW** businesses that locate in the city for the first time. A business will “not be deemed to locate in the city for the first time based on merger, acquisition, similar business combination, name change, or change of business form.” Norfolk City Code Section 24-25.2

Likewise, an “affiliated group” as defined in the Code of Virginia that conducts business activities similar to one or more affiliated businesses already operating in Norfolk will not qualify. A business that files consolidated financial statement with a parent or other affiliated entity with combined taxable gross receipts of more than \$1,000,000.00 will not qualify.

A business will not qualify “if there is an existing business in the city trading under the same or substantially similar business name, the businesses conduct similar business activities, and the businesses are related by a shared ownership structure or a contractual relationship such as a franchisor/franchisee relationship.” Norfolk City Code Section 24-25.9



Once a business is qualified for the exemption, the business must file timely returns for self-reported taxes and must keep current on all local taxes and fees. If a business is delinquent on either of these requirements, the business will forfeit the exemption.

Businesses should go through the qualifying process unless they are sure that their gross taxable receipts will exceed \$1,000,000.00. In the event that a qualifying business had estimated their gross taxable receipts at more than \$1,000,000.00 and paid the appropriate tax, but in reality, their gross taxable receipts were \$1,000,000.00 or less, then the qualifying business would receive a credit for the excess tax paid in the previous year.

Beware however, that if a qualifying business estimated its gross taxable receipts at less than \$1,000,000.00, and the actual gross taxable receipts were more than \$1,000,000.00, the business is responsible and will be assessed the tax for the entire amount of the gross taxable receipts.





WE ARE HERE TO HELP YOU START A BUSINESS RIGHT HERE IN NORFOLK AT THE COMMISSIONER OF THE REVENUE'S OFFICE

We are the Chief Assessor for the City of Norfolk. We provide the following services to aid in the continued economic growth of our city.

- Assessment of individual and business personal property;
- Issuance and renewal of business licenses;
- Administration of all fiduciary taxes;
- Provider of DMV Select services;
- Evaluation of customer tax compliance;
- Assistance and processing of Virginia State Income Taxes;
- Investigation of inquiries and delinquent accounts;
- Assistance with Yard Sales and Residential Parking Permits.

Start a

Step 1 DEVELOP A BUSINESS PLAN

A business plan is critical for any entrepreneur. Your business plan is the “roadmap” for how you will start and manage your small business. As you write your business plan, you will analyze a variety of elements to include: your product or service, marketing, financing and operations. A business plan is not only important for when you start, but also as your business begins to grow and develop.



BUSINESS PLAN ASSISTANCE FOR NORFOLK ENTREPRENEURS

Local Workshops:

- **Entrepreneur Express:** Several times a year Norfolk Development partners with the state on workshops.
- **Attend an “Owning Your Own Business”** Workshop and you may register to receive one-on-one assistance. For more information contact the Hampton Roads Small Business Development Center (SBDC) <http://www.hrsbdc.org/> Or call :(757) 664-2592

Online:

- **Vastartup.org** offers an online interactive tool in the form of a downloadable CD to help you write your business plan. Users are required to register.
- **US SBA:** the Small Business Administration offers a “Build Your Business Plan” which requires registration. <http://www.sba.gov/tools/businessplan/1>
- **Department of Development:** Contact them for any questions you may have 757-664-4338 or visit their website: www.norfolkdevelopment.com for special business incentives.

Step 2 LEGAL STRUCTURE

An important part of deciding to start a business is to decide on your legal structure. Will you be a sole proprietorship, partnership, corporation, limited liability company or Virginia benefit corporations? Each structure has varying legal and tax implications, so be sure to consult with a lawyer and accountant before deciding.

The State Corporation Commission's mission is to strive to apply law and regulation to balance the interests of citizens, businesses, and customers in regulating Virginia's business and economic concerns and work continually to improve the regulatory and administrative processes.

Important!

Before you sign a lease agreement check with your local zoning office to ensure the location is up to code for the type of business you are planning.



To register your business visit:

<http://www.scc.virginia.gov/index.aspx>

For information on selecting a structure visit:

www.sba.gov

Step 3 FEDERAL REQUIREMENTS

The Internal Revenue Service has many online resources to guide you through the process. In addition to workshops held around the state, you may access virtual workshops and arrange for desktop calendar reminding you of actions to keep you up-to-date and compliant.

- Employers must obtain a Federal Employer Identification Number (EIN).
- Sole proprietors must obtain an EIN if they pay wages to one or more employees or if they file an excise tax return.

For more information, please visit: <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Employer-ID-Numbers-EINs>



For Federal Employer Identification Number

<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Employer-ID-Numbers-EINs>

Step 4 STATE REQUIREMENTS

Some business types require professional licenses or permits from the state. To find out whether or not there are permits or licenses required for your type of business, visit: <http://vdba.virginia.gov/index.shtml>

The three main Virginia State Regulatory/Licensing Agencies:

- VA Department of Professional and Occupational Regulation
- VA Department of Health Professions
- VA Department of Agriculture and Consumer Services



Step 5 CITY OF NORFOLK REQUIREMENTS

BUSINESS LICENSE

All business and professional operations must purchase a business license before commencing operation in the City of Norfolk, including Home Businesses.

In order to obtain a Norfolk City Business License, you must have a definite location of business. In the City of Norfolk, zoning laws may prohibit your business from operating at certain locations, such as a residence. The address for your business must be approved by Zoning.

What will you need?

- Identification (picture ID)
- Lease or letter of permission from homeowner
- Zoning approval (\$15 fee- Contact 664-4752)
- State Corporation Commissioner Certificate or Corporate Charter (if available)
- Register Trade Name or Partnership (\$10 fee Contact the Circuit Court 664-4580)
- Meal Tax Bond (Food establishment- fees vary Contact 664-7886)
- Permits (if applicable- fees vary)

Important

Each payment listed above is processed at each individual office. Please bring more than 1 check for each with you to complete the process.



Registration of Trade Name

Any person, partnership, limited liability partnership, limited liability company, or corporation using a name which does not identify the owner of the business must register a trade name with the Norfolk Circuit Court.

Registering this name does not prevent your business name from being used by any other business. It is done to assist the public by providing information as to the person with whom the public will be dealing.

There is a fee to register this name. This fee is paid to the Norfolk Circuit Court.



Cost of Business License

The cost of the business license is based upon your estimate of total gross receipts from the day the business opens to December 31 of the same year. If the estimate is less than \$100,000 a tax rate will be applied to your estimate. There are different rates for different types of business.

Associated Fees

- Contractors - \$.16 per \$100.00 gross receipts
- Retail - \$.20 per \$100.00 gross receipts
- Repair, Personal and Business Services- \$.36 per \$100.00 gross receipts
- Financial, Real Estate and professional Services - \$.58 per \$100.00 gross receipts
- Wholesale Business \$50.00 flat fee plus - \$.15 per \$100.00 gross receipts (\$100,000 threshold does not apply)



You may apply for a Business License

Online at the Commissioner of the Revenue Website

<http://www.norfolk.gov/revenue>



Examples for Your Specific Business:

For a contractor opening a business in the City of Norfolk:

- Develop a business plan. (Who, what, when, where and how much) \$0
 - Decide on a business structure. (Sole Proprietorship, Limited Liability Company, Cooperative, Corporation, Partnership or S-corporation.) Fees vary from \$25.00 to \$100.00
 - Apply for a Federal Employer Identification Number. (FEIN) \$0
 - Register your business name with the Circuit Court. \$10.00
 - If state licensed have the proper Occupational License from the Department of Professional and Occupational Regulation. Fees vary from \$235.00 to \$385.00.
 - Complete a Virginia Worker's Compensation Form.
 - If not an A, B, or C class licensed contractor complete the required Contractor Affidavit.
 - Get zoning approval. \$15.00
 - Pay for the business license. Contractors- \$.16 per \$100 gross receipts.
- ⇒ A contractor that reports \$100,000 or less in gross receipts the amount due would be the minimum balance of \$50.00.
- ⇒ A contractor that reports \$100,001 or more in gross receipts use the tax rate above.

To open a retail store or restaurant in the City of Norfolk:

- Develop a business plan. (Who, what, when, where and how much) \$0
 - Decide on a business structure. (Sole Proprietorship, Limited Liability Company, Cooperative, Corporation, Partnership or S-corporation.) Fees vary from \$25.00 to \$100.00
 - Apply for a Federal Employer Identification Number. (FEIN) \$0
 - Register the business name with the Circuit Court. \$10.00.
 - Meals tax bond (restaurant only)
 - Restaurant Health Department Certification. \$285.00
 - Get zoning approval. \$15.00
 - Pay for the business license. Retail - \$.20 per \$100.00 gross receipts. (\$100,000 threshold applies)
- ⇒ A retail store or restaurant that reports \$100,000 or less in gross receipts the amount due would be the minimum balance of \$50.00.
- ⇒ A retail store or restaurant that reports \$100,001 or more in gross receipts use the tax rate above.

To open a service related business in the City of Norfolk:

- Develop a business plan. (Who, what, when, where and how much) \$0
 - Decide on a business structure. (Sole Proprietorship, Limited Liability Company, Cooperative, Corporation, Partnership or S-corporation.) Fees vary from \$25.00 to \$100.00
 - Apply for a Federal Employer Identification Number. (FEIN) \$0
 - Register the business name with the Circuit Court. \$10.00
 - Ensure you have the proper Occupational License from the Department of Professional and Occupational Regulation. Fees vary from \$235.00 to \$385.00.
 - Depending on type of service Health Department Certification. \$40.00
 - Get zoning approval. \$15.00
 - Pay for the business license. Repair, Personal and Business Services- \$.36 per \$100.00 gross receipts.
- ⇒ A service that reports \$100,000 or less in gross receipts the amount due would be the minimum balance of \$50.00.
- ⇒ A service that reports \$100,001 or more in gross receipts use the tax rate above.

A Few More Examples...

To open a Financial, Real Estate and Professional Services business in the City of Norfolk

- Develop a business plan. (Who, what, when, where and how much) \$0
- Decide on a business structure. (Sole Proprietorship, Limited Liability Company, Cooperative, Corporation, Partnership or S-corporation.) Fees vary from \$25.00 to \$100.00
- Apply for a Federal Employer Identification Number. (FEIN) \$0
- Register the business name with the Circuit Court. \$10.00
- Ensure you have the proper Occupational License from the Department of Professional and Occupational Regulation. Fees vary from \$235.00 to \$385.00. (Architects and Engineers only)
- Get zoning approval. \$15.00
- Pay for the business license. Financial, Real Estate and Professional Services- \$.58 per \$100.00 gross receipts.

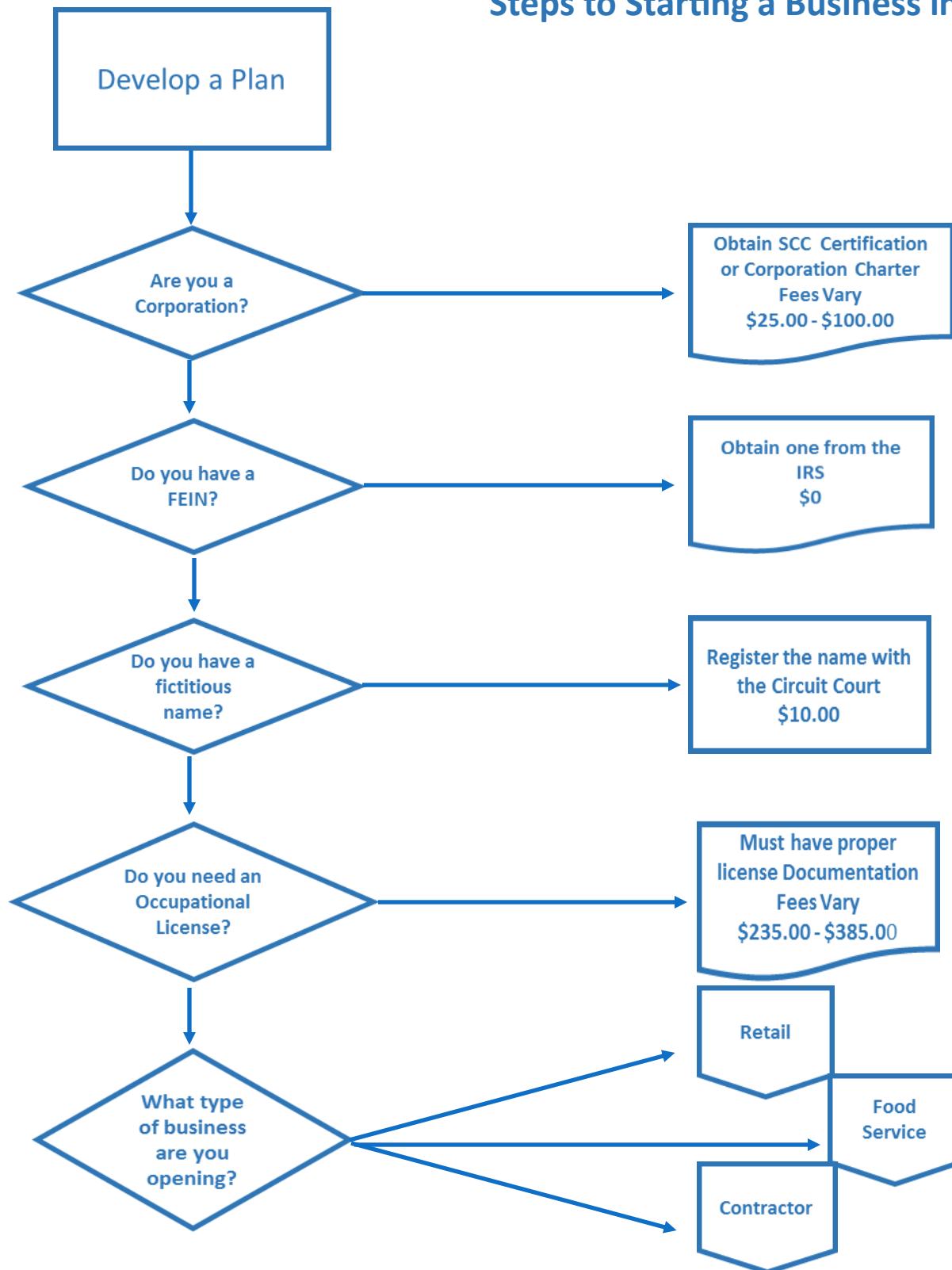
- ⇒ A service that reports \$100,000 or less in gross receipts the amount due would be the minimum balance of \$50.00.
- ⇒ A service that reports \$100,001 or more in gross receipts use the tax rate above.

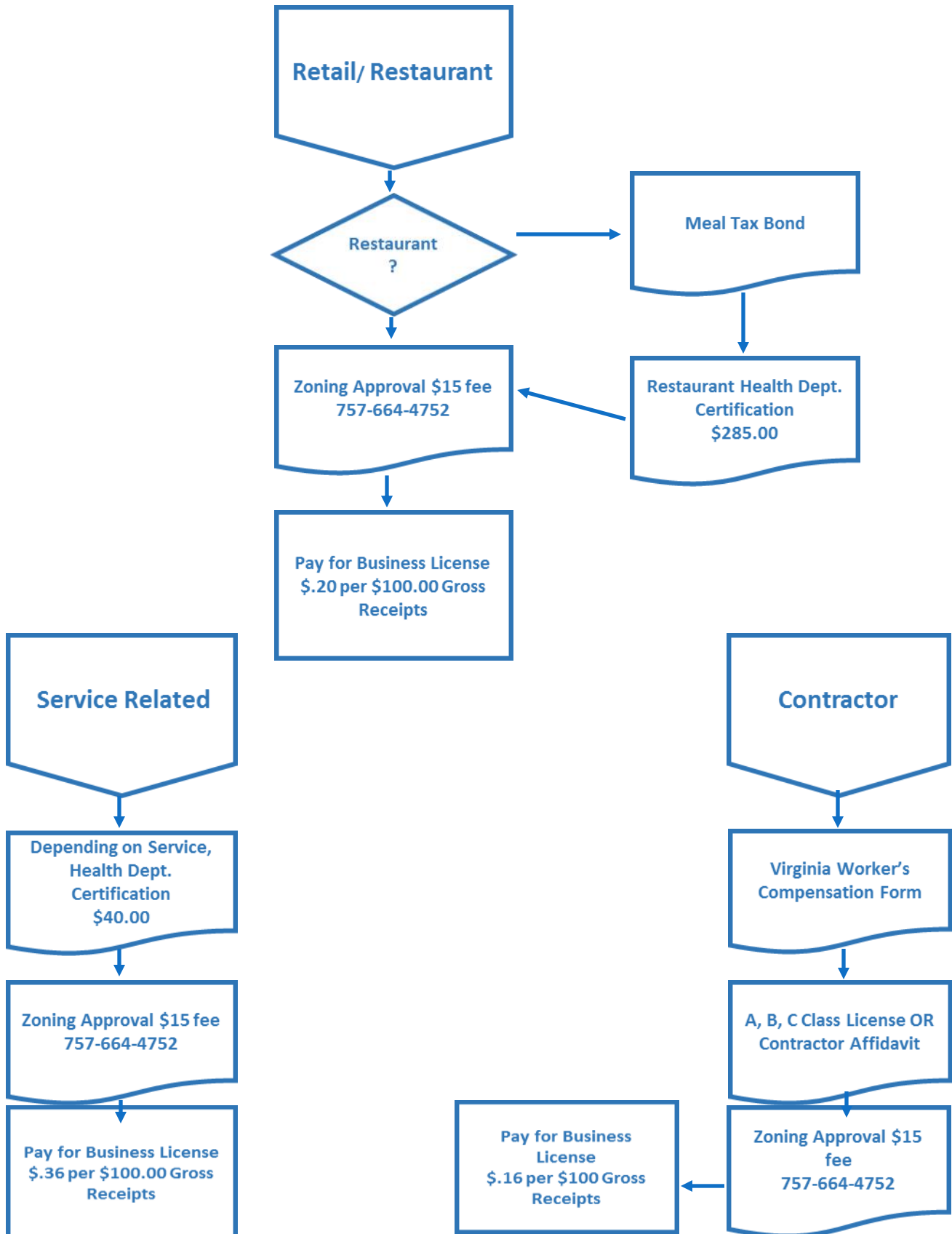
To open a wholesale in the City of Norfolk:

- Develop a business plan. (Who, what, when, where and how much) \$0
- Decide on a business structure. (Sole Proprietorship, Limited Liability Company, Cooperative, Corporation, Partnership or S-corporation.) Fees vary from \$25.00 to \$100.00
- Apply for a Federal Employer Identification Number. (FEIN) \$0
- Register the business name with the Circuit Court. \$10.00
- Get zoning approval. \$15.00
- Pay for the business license. Wholesale- \$50.00 flat fee plus \$.15 per \$100.00 gross receipts. (\$100,000 threshold does not apply)



Steps to Starting a Business in Norfolk





Important Contact Information

Once you have established your business plan and decided on the business structure you are ready to apply for a business license.

- **Business license applicants must apply in person.**
- **Allow at least one hour to complete the application process.**
- **When paying by check, bring a separate check for each process.**

Zoning Office

Home Occupancy License obtained here

757-664-4752

Zoning Approval – bring lease or other written documentation of business location

Fee required \$15

Trade Name Registration

Circuit Court Building Room 100

757-664-4580

Fee required \$10

Fiduciary Tax Office

City Hall Building, East Wing, Commissioner of the Revenue

757- 664-4886

Includes Admission Tax, Cigarette Tax, Lodging Tax, Meal Tax, Short Term Rental Tax

Some may require fees

Bond Requirements

City Hall Building, East Wing, Commissioner of the Revenue

757-664-4886

Includes Meal Tax Bond– fee varies– minimum \$500.

Precious Metals Bond (\$10,000)- Commissioner of the Revenue: 757-664-4886

Pawn Shop Bond (\$50,000) - Norfolk Police Department—Pawn Shop Investigations: 757-664-7031

Health Department

830 Southampton Ave Suite 200

757-683-2712

Barber, beauty and/or nail operations, health care services, massage therapist

Tattoo artist, tattoo parlors

Food services– fee required

Police Department

Police Operations Center, 3661 Virginia Beach Blvd

757-664-7031

Precious Metals Permit–required

Second Hand Dealers Permit–required

Important Contact Information Continued

City Council

City Hall Building, 11th Floor 757-664-4300

Circuit Court 757-664-4580

Business License 757-664-7886

Development 757-664-4338

Hampton Roads Small Business Development Center

757-664-2595

<http://www.hrsbdc.org/>

SCORE Hampton Roads

Counselors to America's Small Business

757-455-9338

<http://hamptonroads.score.org/>

Small Business Administration

800-877-8339

www.sba.gov

State Corporation Commission

804-371-9967

www.scc.virginia.gov/

VA Department of Professional and Occupational Regulation

804-367-8500

www.dpor.virginia.gov

VA Department of Health Professions

804-367-4400

[Www.dhp.virginia.gov](http://www.dhp.virginia.gov)

VA Department of Agriculture and Consumer Services

804-786-3523 www.vdacs.virginia.gov

State Board of Occupational Regulation

PO Box 1197, Richmond, VA, 23209

804-367-8511

Norfolk Business Associations

Retail Alliance

<http://retailalliance.com/>

838 Granby Street
Norfolk, Virginia 23510
(757)4661600

Downtown Norfolk Council

www.downtownnorfolk.org

201 Granby Street, #101
Norfolk, Virginia 23510
(757) 623-1757

Ghent Business Association

<http://ghentnorfolk.org/>
P. O. Box 11571
Norfolk, VA 23517

Hampton Roads Chamber of Commerce

<http://www.hamptonroadschamber.com/>

P.O. Box 327
Norfolk, VA 23501
(757) 622-5563

Hampton Roads Economic Development Alliance

<http://hreda.com/>

500 Main Street, Suite 1300,
Norfolk, Virginia, 23510
(757) 627-2315

Hampton Roads Hispanic Chamber of Commerce

www.hamptonroadshispanic.org/

Hampton Roads Partnership

<http://www.hrp.org/>

430 World Trade Center
Norfolk, Virginia 23510
(757) 625-4696

Hampton Roads - Virginia Women Attorneys Association

www.vwaa.org/chapters/hamptonroads.htm

National Association of Professional Women

www.napw.com/chapter/193/norfolk/

Nonprofit Career Opportunities

www.volunteerhr.org/

Norfolk Association of Women Business Owners

<https://www.nawboseva.org>

Other Helpful Websites

Downtown Norfolk Council www.downtownnorfolk.org

Ghent Business Association <http://ghentnorfolk.org/>

Hampton Roads Chamber of Commerce www.hamptonroadschamber.com

Hampton Roads Economic Development Alliance <http://hreda.com/>

Hampton Roads Hispanic Chamber of Commerce www.hamptonroadshispanic.org/

Hampton Roads Partnership www.hrp.org/

Nonprofit Career Opportunities www.volunteerhr.org/

Norfolk Association of Women Business Owners www.nawboseva.org

Norfolk Portsmouth Bar Association <http://www.norfolkandportsmouthbar.org/>

Opportunity, Inc. www.opp-inc.org/

Retail Alliance <http://retailalliance.com/>

Tidewater Association of Service Contractors: TASC www.tasc-tgic.org/

Tidewater Builders Association www.tbaonline.org/

Tidewater Chapter of the Virginia Society of CPAs www.tcvscpa.com

The Virginia Bar Association www.vba.org/

Virginia Women Attorneys Association www.vwaa.org/chapters/hamptonroads.htm

Wards Corner Now <http://wardscornernow.com/>

Commissioner of the Revenue

C. Evans Poston Jr.

810 Union St

Norfolk, VA 23510

(757)664-7890

norfolkCOR@norfolk.gov

Visit us on the web: www.norfolk.gov/revenue